



Regional and Country Development Cooperation Strategy (R/CDCS) Development and Approval Process

A Mandatory Reference for ADS Chapter 201

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Overview

The Country Development Cooperation Strategy (CDCS) development and approval process involves an iterative dialogue between Missions and USAID/Washington—including key check-in points—that results in clear decisions being made and recorded at each phase of the process, and ultimately produces Agency consensus around a Mission’s strategic approach. The CDCS development and approval process consists of three phases:

- Phase 1 – Initial Consultations and Parameters Setting,
- Phase 2 – Results Framework Development,¹ and
- Phase 3 – Full CDCS Preparation, Review and Approval.

In addition to the three phases, it is essential to allocate time to prepare for the launch of the CDCS process. Timelines below are recommended guidelines, except as otherwise noted. Mandatory timelines include requirements for certain products to be submitted to USAID/Washington to allow for a specified review period, and for Washington Operating Units (OUs) to conduct review processes and resolve issues.

Preparation for the CDCS

(See [ADS 201 on Preparation for the Country Development Cooperation Strategy](#))

A Mission decides when it is most appropriate to begin preparing for the development of its next CDCS, but typically preparation should begin during the final two years of the existing CDCS. Before officially starting development of a CDCS, a Mission must take several steps to ensure that it has sufficient information to begin the process. This includes consolidating lessons learned from a variety of sources—prior CDCSs or other strategic plans (including interagency strategic plans); available analyses and evaluations, including those commissioned by other donors or organizations; findings from past portfolio reviews and CDCS stocktaking exercises; and monitoring of existing projects and activities. A Mission should consider especially carefully the role information obtained from mandatory analyses will play in informing its strategic approach. Additionally, a Mission will need to consider logistical preparations (including the establishment of mechanisms for contractor support if needed), as well as beginning the process of conducting or updating analyses, and conducting initial consultations. The Mission should also begin internal and external discussions to inform the approach to the CDCS (see [initial consultations](#) and [internal discussion and consensus](#) below).

¹ For Missions developing a follow-on strategy, the requirement to conduct a formal Phase Two consultation with Washington on the Results Framework Paper may be waived. Agreement as to whether a Phase Two consultation will be required will be reached during Phase One (Initial Consultations and Parameters Setting).

For Missions developing a follow-on CDCS, the expiring CDCS will be the basis of the new CDCS. In some cases, a follow-on CDCS will be an update of the previous strategy; in other cases, there will be significant changes to the Results Framework to reflect changing country context and new challenges and opportunities, requiring a fundamental revision of the previous CDCS. Missions without a pre-existing strategic plan should nevertheless ensure that they have an understanding of their experience and progress in country.

The specifics of the preparation process will be determined by each Mission, but there are three key components a Mission should consider addressing:

- Analysis and lessons learned: The Mission analyzes the relevant country context which will frame development of the CDCS, assesses lessons learned from past assistance and determines what additional research, assessments and evaluations are needed to inform the CDCS development process. During this time, the Mission also determines what support is needed from Washington to conduct these analyses (which should generally be completed before the end of Phase Two of CDCS development). While Missions operating in non-permissive environments (NPEs) may not have the time to conduct full contextual assessments, they do need to understand the dynamics of their particular country and define an approach for additional learning as needed.
- Initial consultations: External knowledge should form an integral part of the Mission's knowledge base. The processes of consulting with a diverse range of local partners, examining analyses conducted by other development institutions, and engaging other USG stakeholders are opportunities to learn and build support, both internally and externally, for the priorities to be articulated and refined in the course of development of the CDCS.
- Internal discussion and consensus: Early conversations within the Mission should examine changes within the country context and the parameters within which the Mission itself operates (e.g., changes in staff, budget, or overall U.S. Government priorities). Using the information gained through analysis of monitoring data and other learning exercises, as well as from early stakeholder consultations, the Mission holds internal discussions on lessons learned, including changes in country and Mission context, and the status of critical assumptions in the existing strategy or in current programming. Following this, the Mission should come to consensus on a proposed approach for the next strategy period, informed by budget and human resource constraints.

The analysis, consultations and internal Mission discussions that begin prior to the CDCS launch (outlined below) should continue as relevant during the CDCS development and implementation process.

Phase One: Parameter Setting

(See [ADS 201 on Phases of the CDCS Development Process](#))

Phase One marks the start of the CDCS development process and should launch approximately 12 months before the Mission expects to have its CDCS approved. The objective of Phase One is to set clear parameters for CDCS development, and to initiate formal engagement by Washington OUs—building on prior and ongoing analyses, consultations and discussions.

Phase One centers around a dialogue between Washington OUs, interagency stakeholders (as appropriate), and the Mission. By the end of Phase One, there will be consensus on issues including the nature of the development context; duration of the CDCS; assessments and other key analyses identified as necessary to inform the CDCS development process; and the applicability of Agency strategies and policies. The guiding questions of this parameter-setting phase are:

- What does the Mission need to know in order to invest its time wisely to prepare the CDCS?
- What do Washington OUs need to know in order to support development of the Mission's CDCS?

Phase One culminates in agreement between USAID/Washington and the Mission on resource parameters, priorities and sectoral focus for the CDCS, and the Mission's plan for developing the CDCS, including expectations for Washington support. Washington OU engagement in Phase One is essential to the CDCS development and approval process. In particular, it is important to note the following:

- Phase One presents the primary opportunity for Washington OU and interagency stakeholders and the Mission to engage and make decisions on issues of mutual interest.
- Concurrence reached in Phase One represents Agency endorsement of the Mission's strategic approach. While there will be an opportunity for further refinement during Phase Two, after Phase One is complete, discussion of new sectors or priorities will not be contemplated, absent significant changes in country context or funding levels.

Phase One consists of four major milestones:

- (1) Concept Note
- (2) Questionnaire and Consolidation of Washington OU Inputs
- (3) Phase One Digital Video Conference (DVC)
- (4) Summary of Conclusions

Concept Note: The Concept Note is a 2-3 page document (not including annexes) that provides a brief synopsis of:

- Learning from prior strategy and/or implementation;
- Country context and existing programming;
- Resource, budget, and staffing considerations, including the required budget scenario;
- Likely areas of programming; and
- Timeline for engagement regarding alignment of Mission and USAID/Washington priorities.

This Note is prepared by the Mission and submitted to the relevant Regional Bureau 1–2 months in advance of the Phase One DVC.

Prior to the development of the Concept Note, the Mission must contact BRM through the Regional Bureau to begin conversations on baseline numbers for the required budget scenario, reflecting the likely allocation of Mission funding. The Mission, BRM, and Regional Bureau come to consensus about which method to use to establish baseline numbers for required budget scenario (see [ADS 201 on Program Resources and Priorities - Budget](#)). Once consensus is reached on which method to use, BRM—through the relevant Regional Bureau—sends the required budget scenario to the Mission. The Mission, Regional Bureau, PPL, BRM and other key stakeholders should have a follow up discussion on any questions on the budget parameters. These resource parameters should inform internal Mission discussions, and must be included in the Concept Note as an annex.

The Mission should engage with the Regional Bureau to coordinate a timeline for submission of the Concept Note.

Questionnaire and Washington OU Inputs: In order to establish a corporate view of USAID/Washington’s expectations, Regional Bureaus must share the Concept Note and a questionnaire, along with an initiatives inventory², with designated points of contact in PPL, BRM, Bureau for Management (M Bureau), Pillar Bureaus and Independent Offices (as appropriate) for feedback. These points of contact distribute the Concept Note, questionnaire, and inventory within their Bureau and gather internal responses. Feedback from Washington OUs should reflect the OU’s corporate position.

While the Regional Bureau determines the content of the questionnaire, it should consider including questions on the following topics: specific pillar initiatives, directives

² The Initiatives Inventory is a list maintained by PPL of the Agency’s various initiatives and earmarks, along with where they are being implemented. The list is updated annually in collaboration with BRM and Regional/Pillar Bureaus.

or priority efforts in the country—as well as the criteria used to make these determinations; Washington-based instruments currently being implemented in or planned for the country; specific strategic questions for the Mission; and areas for further engagement with the Mission, including additional analyses and Washington support. Further, the questionnaire should encourage the Pillar Bureau to rank its various priorities in the relevant country, based off of the specific criteria used for prioritization of the given initiative, directive or other priority. Washington OUs must provide input within ten business days.

The Regional Bureau collects and prioritizes feedback on the Concept Note. Following receipt of feedback, the Regional Bureau coordinates any necessary conversations with other Washington OUs to resolve questions about the Mission's proposed strategic approach. The Regional Bureau then consolidates Washington OU feedback on the Concept Note and other input (including from discussions), and shares them with the Mission at least 15 business days prior to the DVC. The Regional Bureau should coordinate any further consultations that may be necessary after the Mission receives Washington OU feedback.

To the extent possible, issues arising out of review of the Concept Note or out of the Washington questionnaire—in particular, those ranked in the questionnaire as strategically important by the Washington OU—should be discussed and resolved prior to the DVC. Any unresolved issues should be added to the DVC agenda.

Phase One DVC: The objective of the Phase One DVC is to clarify the parameters for CDCS development that have emerged throughout the Phase One process. It should take place approximately 9-10 months prior to expected strategy approval. The DVC is co-chaired by the Mission Director and the Assistant Administrator (AA) for the relevant Regional Bureau, or designee. PPL, BRM, M Bureau, Pillar Bureau and Independent Office points of contact, as well as other issue owners are invited (including stakeholders from the Embassy).

During the Phase One DVC, the Mission presents a synopsis of its Concept Note and the Mission's planned path to developing its CDCS, and the Regional Bureau provides a recap of Washington OU feedback, key issues, and follow-up consultations. The presentation for the DVC, prepared by the Mission, must be submitted to the relevant Regional Bureau at least five business days prior to the DVC, or the DVC may be postponed. The Phase One DVC should cover the following:

- Country context;
- Past USAID assistance in country;
- A summary of progress or results and lessons learned from the previous CDCS (or other strategy) if applicable, and other learning from prior implementation;
- The required budget scenario;

- A determination on whether the Mission plans to develop an optional budget scenario, reflecting the Mission's preferred resource composition within the same topline as the required scenario, for inclusion in the Mission's final CDCS submission (Phase III) (see [ADS 201 on Program Resources and Priorities - Budget](#)). The Mission may also include the broad parameters of its Optional Scenario, for example, the sectors in which it would propose to increase or decrease funding;
- General directions for the next CDCS, including sectors the Mission anticipates working in and any major changes from the previous strategy;
- An overview of analyses and assessments conducted to date or planned;
- A preliminary timeline for CDCS development and approval; and
- Any support needed from USAID/Washington.

In order for Phase One deliberations to result in informed, actionable decisions, the Mission's presentation at the DVC should address—in addition to the points above—issues raised during early consultations with Washington OUs. Resolution of these issues should be sought during the DVC, if it has not been achieved earlier. Any issues arising during review of the Concept Paper which remain unresolved at the time of the DVC must be included on the agenda for discussion at the DVC.

When preparing for the Phase One DVC, the Mission should also take into consideration the key decisions to be made by the end of Phase One (see below).

Issues which remain unresolved following the DVC must be resolved prior to the finalization of the Summary of Conclusions memo. Issues that cannot be resolved through discussions between the Regional Bureau, Washington OU stakeholder, and Mission 10 business days following the DVC must proceed to the formal Issues Resolution process described at the end of this Mandatory Reference.

Phase One Summary of Conclusions (SOC): The final step of Phase One is the drafting and dissemination of the SOC. The Regional Bureau drafts the SOC, documenting discussion at the DVC and recording key decisions made with respect to Phase One parameters. A list of decisions that must be made during Phase One, and documented in the SOC, is outlined below.

The Regional Bureau circulates the SOC for feedback among key stakeholders, including the Mission, PPL, BRM, and others, as relevant. After receiving and incorporating feedback, the Regional Bureau sends the SOC to PPL, BRM, and the Mission for clearance. The Regional Bureau, in consultation with PPL, will determine if other Washington OUs need to clear based on the issues documented in the SOC. Other stakeholders will be info copied. Once cleared, the Regional Bureau provides final

approval of the SOC and sends it to the Mission (no more than 15 business days following the Phase One DVC, absent an issues resolution process) Clearing bureaus must provide clearance within five business days.

The cleared SOC represents Agency endorsement of the Mission's strategic approach.

Key Decisions for Phase One: Certain decisions must be made during Phase One and recorded in the SOC in order to define the parameters for the development of the Mission's CDCS going forward and for the content of the CDCS itself. These include, but are not limited to:

- What are USAID's main priorities in the country and related sectors of focus?
- What budget parameters apply to the CDCS?
 - What is the annual expected topline country level for the Mission's budget throughout the planning period?
 - What initiatives and directives are expected, and at what levels?
 - Will the Mission develop an optional budget scenario to highlight recommended changes in the composition of its funding?
- What Agency or interagency policies and strategies have implications for the Mission?
- Which Sustainable Development Goals will the strategy address?
- Is alignment with Integrated Country Strategy (ICS) Mission Objectives an issue that needs to be considered during the CDCS process? If so, how does the Mission plan to address this?
- What is the duration of the strategy?
- What is the scope of transition planning (see [ADS 201 on Country Transition Planning](#)) the Mission needs to engage in?
- Is there any reason for the Mission to customize the Results Framework? (e.g. working in a non-permissive environment)
- For Missions developing a follow-on strategy with limited changes to the previous CDCS (e.g., Missions that have demonstrated a stable operating context and funding), does the Mission need to develop a Results Framework Paper and present it at a Phase Two DVC?

- What is the schedule of tasks for completing the CDCS, including the timeline to complete required analyses?
- What other analyses, assessments, evaluations, and other evidence does the Mission plan to use to inform the CDCS, and what is the timeline for completion?
- Does the Mission request any support from Washington OUs for developing the CDCS?

Decisions on these questions in Phase One will guide the rest of the Mission's CDCS development.

Phase Two – Results Framework Development

(See [ADS 201 on Phases of the CDCS Development Process](#))

The objective of Phase Two is to gain Agency consensus on the specific approach the Mission plans to use to advance its strategic goal and objectives, as well as to discuss any significant issues and steps needed to finalize the Results Framework and prepare the full CDCS.

In Phase Two, the Mission finalizes key analyses, prepares the CDCS Results Framework Paper and engages with Washington OUs to validate the logic and technical validity of the proposed strategic approaches and areas of focus agreed upon in Phase One. Phase Two should begin approximately 8-9 months prior to expected CDCS approval.

This phase includes the following milestones:

- Results Framework Paper
- Review of Results Framework Paper
- Phase Two DVC
- Summary of Conclusions

During Phase Two, there should be no additional questions about the main priorities or sectors of focus in which the Mission is expected to work, as documented in the Phase One Summary of Conclusions. Phase Two review should focus on the logic of the Development Hypotheses and validity of the proposed strategic approach.

Phase Two is required for Missions without an existing CDCS. For Missions developing a follow-on CDCS, a consensus about whether or not to conduct a formal Phase Two consultation with Washington will be reached during Phase One and will depend on whether the Mission is planning substantive changes to its Results Framework and

previous strategic approach. *If the Phase One Summary of Conclusions indicates that a Mission is exempt from Phase Two, the Mission may skip the steps pertaining to Phase Two which are presented below. However, the Mission will be required to include the key content of Phase Two (a completed Results Framework, completion of key analyses, and presentation of the illustrative ICS Goal-Mission Objective structure) in its final CDCS submission (see [ADS 201 on Phase Two](#) for specific guidance on that content).*

Results Framework Paper: The objective of the Results Framework Paper is to provide an opportunity to examine the logic of the Development Hypotheses and validity of the proposed strategic and technical approaches. The Results Framework Paper should be submitted to the relevant Regional Bureau for circulation in Washington 7-8 months prior to expected CDCS approval. Prepared by the Mission, the Paper should be no more than 10–15 pages and may be in a bulleted format. The paper should incorporate the best available information from analyses completed to date and consultations with partners and stakeholders, as well as reflect the parameters identified in Phase One. It should cover:

- A synopsis of U.S. Government interests in country and a summary of the country context;
- The CDCS Goal, DOs and IRs (sub-IRs are optional in Phase 2);
- An explanation of the development hypotheses that underlie the CDCS;
- An explanation of how the Mission's identified priorities can be achieved within the available resources;
- An articulation of the results chain for each DO, including the main constraints to making progress on each DO, which issues USAID is helping to address and how, and the assumptions and risks underlying USAID's approach;
- A summary of the contributions from other development partners (including the partner government) in achieving the results outlined in the paper, particularly those at the DO level;
- A draft revised ICS goal-objective structure that shows how the proposed DOs could be integrated as Mission Objectives; and
- An outline of the planned management structure for any proposed integrated DOs.

To the extent possible, the CDCS development process, including the development of the Results Framework, should be responsive to locally identified needs and priorities. Meaningful engagement with key local actors and stakeholders should inform the results or lines of effort identified in the Results Framework. Consideration of local

priorities should include partner country strategies to achieve the Sustainable Development Goals. All strategic approaches should take into account local actors' priorities and perspectives and their ability to sustain results over time. During development of the Results Framework, a Mission should also continue to consult with USG interagency partners and other donors to inform their strategic choices and develop coordinated approaches that collectively address development challenges. The Results Framework as submitted in Phase Two need not include sub-IRs.

Review of Results Framework Paper: The Mission submits the Results Framework paper to the relevant Regional Bureau for review. The Regional Bureau circulates the Results Framework Paper and an Issues Matrix to designated points of contact in PPL, BRM, M, Pillar Bureaus and Independent Offices, as well as others who raised issues during Phase One. These OU points of contact then distribute the Results Framework Paper within their Bureau, gather internal responses, ensure clearance and submit comments (cleared through the relevant OU's Program Office) to the Regional Bureau via the Issues Matrix. OUs should highlight any significant issues that must be addressed before the CDCS can be approved, as well as any concerns or necessary clarifications. OUs must conduct their review of the Results Framework paper within 10 business days.

The Regional Bureau consolidates and reviews comments from Washington OU stakeholders, flags any concerns regarding issues raised or the classification of issues, and facilitates further consultations between the Mission and Washington OUs (if necessary). Occasionally, disagreement between the Regional Bureau and other Washington OUs may persist at the working level over a particular significant issue. In these cases, the Bureau which submitted the issue may resubmit the significant issue after obtaining the endorsement of the relevant Deputy Assistant Administrator (DAA) of the OU, who must affirm that the issue represents a substantive priority of the OU. If, after this, agreement cannot be reached on any issue within 10 business days of the Regional Bureau receiving the Issues Matrix, the issue should be added to the DVC agenda. Review of the Results Framework Paper and consolidation of Washington inputs should require approximately 15 business days.

Issue classification for Phase Two and Three Consultations

For Phases Two and Three, there are three categories of comments:

- Significant Issues – issues which must be addressed for strategy approval. Significant issues must include a recommended resolution and support that can be offered, if relevant, to address the issue.
- Concerns – a change that will improve the quality of the strategy, for instance an important technical consideration.
- Clarification – a question or request for more information.

Issues to be discussed between Washington OU stakeholders and the Mission may include the logic or feasibility of a proposed strategic or technical approach, the alignment of the proposed approach with an Agency policy or strategy, or compliance with the guidance. OUs may wish to convene a meeting to review comments, to ensure that comments submitted represent the OU's corporate position, and that the OU's representative to the DVC fully represents the OU's corporate stance.

It is important to note that while all reviewing OUs are expected to follow the guidance above regarding the classification of issues, Regional Bureaus, in consultation with PPL, may reclassify issues categorized by reviewing OUs as “significant” that do not align with the definition above. The Regional Bureau must inform reviewing OUs of any reclassification of significant issues.

Phase Two DVC: The objective of the Phase Two DVC is to summarize the Results Framework, as well as to address significant issues and other key considerations raised by Washington OU and/or interagency stakeholders during review of the Results Framework Paper. Any issues arising during review of the Results Framework paper which remain unresolved at the time of the DVC must be included on the agenda for discussion at the DVC. If agreement cannot be reached on any issue within 10 business days of the DVC, please see the guidance provided at the end of this Mandatory Reference on Issues Resolution.

The DVC is co-chaired by the Mission Director and the relevant Regional Bureau's AA, or designee, and should take place 6-7 months prior to expected CDCS approval. PPL, BRM, M, Pillar Bureau and Independent Office points of contact, as well as other issue owners are invited. The DVC presentation must be submitted to the Regional Bureau at least five business days prior to the DVC, or the DVC may be postponed.

While formulating the presentation for the DVC, Missions should cover the following:

- The key components and logic of the draft Results Framework;
- The overarching narrative that explains how proposed investments from USAID and others collectively advance progress toward the CDCS Goal and DOs;
- The development hypothesis for each DO;
- The Mission's capacity to achieve results at the IR level, given expected levels of resources, influence, and staff capacity; and
- Mission responses to significant issues raised by Washington OUs.

If integrated DOs are proposed, the Mission should discuss their initial thinking regarding how management structures will ensure clear lines of accountability and responsibility.

Phase Two Summary of Conclusions: Prepared by the Regional Bureau, this summarizes the Mission's responses to any issues raised during Phase Two (including during the DVC) and records agreed-upon resolutions and key decisions. The Regional Bureau circulates the SOC for feedback among key stakeholders, including the Mission, PPL, BRM, and others, as relevant. After receiving and incorporating feedback, the Regional Bureau sends the SOC to PPL, BRM, and the Mission for clearance. The Regional Bureau, in consultation with PPL, will determine if other Washington OUs need to clear based on the issues documented in the SOC. Other stakeholders will be info copied. Pillar Bureaus which own significant issues raised in the Phase Two SOC will clear the final CDCS in Phase Three.

The cleared Phase Two SOC represents Agency endorsement of the Mission's focus and chosen strategic approach. An illustrative list of decisions that should be made during Phase Two, and documented in the SOC, is outlined below. The SOC should be sent to the Mission no more than 15 business days following the DVC.

Key Decisions for Phase Two: During Phase Two, key decisions about the specific approach the Mission has chosen to address development challenges in country will be made. These include, but are not limited to:

- Is the overarching CDCS Goal contextually-specific, consistent with USAID's role in country, and well-supported by the DOs?
- Will the IRs contribute to the achievement of the DOs? For customized Results Frameworks, are Special Objectives and learning approaches well-conceived?
- Does evidence and global best practice support the feasibility of the IRs (and sub-Irs, if included)?
- Are Intermediate Results focused and measurable?
- Has the Mission given adequate thought to the rationale for any integrated DOs, their practicality, and proposed management arrangements?
- Is there a clear connection between the DOs and IRs and the Strategic Framework in the ICS?
- Is the Results Framework itself sufficiently sound to allow the Mission to proceed with full CDCS development?
- Are further refinements needed of Mission responses to USAID/Washington-raised significant issues?
- Are further elaborations of sector-specific strategies needed? If so, at what level of detail?

- Are there any changes to the schedule of tasks for completion of the CDCS from what was agreed to in Phase One, including for the completion of planned analyses?
- Which, if any, Pillar Bureaus will need to clear on the final CDCS in Phase Three?

Barring significant changes in a country or Mission operating context between Phases Two and Three, Phase Two is USAID/Washington's last opportunity to raise new significant issues. Significant issues that were not raised at Phase Two will not be considered during Phase Three, except for those related to specific Phase Three requirements laid out in the guidance.

Phase Three – CDCS Review

(See [ADS 201 on Phases of the CDCS Development Process](#))

The objective of Phase Three is the preparation, approval, and dissemination of a full CDCS. During Phase Three, the Mission applies findings from analyses and consultations, further refines its Results Framework and Development Hypotheses, and submits the CDCS to the Regional Bureau under Chief of Mission authority. Phase Three culminates in the final approval of a Mission's CDCS by the relevant Regional Bureau AA, and the subsequent dissemination of the CDCS. Phase Three should start approximately four months prior to expected CDCS approval.

Phase Three includes the following milestones:

- Draft Full CDCS
- Review of CDCS Draft
- Phase Three DVC
- Summary of Conclusions
- Final CDCS Approval
- Dissemination of CDCS

Phase Three constitutes completion of the CDCS development process. During this Phase, the Mission presents its full strategic approach to the Agency. Approval of the CDCS represents Agency endorsement of the Mission's focus and chosen strategic approach. No new significant issues may be raised in Phase 3 (except those related to compliance with specific Phase Three requirements), unless a Mission has not gone through Phase Two. Following approval of a Mission's CDCS, the Mission has 60 days to post the CDCS on USAID's public and internal websites as described below.

First Draft of Full CDCS: The first draft of the full CDCS builds on the Results Framework Paper by applying findings from analyses and consultations and further refining the Results Framework (including sub-IRs) and development hypotheses. During drafting of the full CDCS, the Mission finalizes analyses and consultations with stakeholders. At Phase Three, all content of the CDCS as described in [ADS 201 on Overview of the Country Development Cooperation Strategy](#) must be present, including all required annexes and any optional annexes the Mission chooses to submit. The draft should be circulated in USAID/Washington for review 3-4 months prior to expected CDCS approval.

Review of CDCS Draft: Once the Mission has submitted the first draft of the full CDCS, the Regional Bureau circulates the draft and an Issues Matrix to relevant points of contact in PPL, BRM, M, Pillar Bureaus and Independent Offices, particularly those who raised issues during Phase Two. Washington OU points of contact are responsible for distributing the draft within their OU, and gathering internal responses within 10 business days of receiving the draft. During this time, stakeholders should review the full CDCS to ensure that any issues raised previously in the CDCS development process have been adequately addressed. Following this review, OU points of contact submit their issues in the Issues Matrix, cleared through the relevant Bureau's Program Office, and back to the Regional Bureau. No new significant issues may be raised at this time (unless the issue is of compliance with specific Phase Three guidance).

The Regional Bureau consolidates and reviews comments from Washington OU stakeholders, flags any concerns regarding issues raised or the classification of issues, and facilitates further consultations between the Mission and Washington OUs (if necessary). Occasionally, disagreements between the Regional Bureau and other Washington OUs may persist at the working level over a particular significant issue. In these cases, the Bureau which submitted the issue may resubmit the significant issue after obtaining the endorsement of the relevant DAA of the OU, who must affirm that the issue represents a substantive priority of the OU. If, after this, agreement cannot be reached on any issue within 10 business days of the Regional Bureau receiving the Issues Matrix, the issue should be added to the DVC agenda. Review of the draft CDCS and consolidation of Washington inputs should require approximately 15 business days.

Phase Three DVC: The objective of the Phase Three DVC presentation is to summarize the CDCS, and to present any issues raised by Washington OU and interagency stakeholders during review of the draft CDCS and the Mission's responses to those issues. Any issues arising during review of the draft which remain unresolved at the time of the DVC must be included on the agenda for discussion at the DVC. The DVC is co-chaired by the Mission Director and Regional Bureau AA or designee. PPL, BRM, M, Pillar Bureau and Independent Office points of contact, as well as other issue owners are invited. The presentation for the DVC must be submitted to the Regional Bureau at least five business days prior to the DVC, or the DVC may be postponed.

Issues which remain unresolved following the DVC must be resolved prior to the finalization of the Summary of Conclusions memo. Issues that cannot be resolved

through discussions between the Regional Bureau, Washington OU stakeholder, and Mission 10 business days following the DVC must proceed to the formal Issues Resolution process described at the end of this Mandatory Reference.

Phase Three Summary of Conclusions: Prepared by the Regional Bureau, this summarizes the Mission's responses to any issues raised during the review of the draft CDCS (including during the DVC) and records agreed-upon resolutions and key decisions. The Summary of Conclusions should record only those issues left unresolved following Phase Two (i.e., new issues should not be raised, except those relating to specific Phase Three guidance).

The Regional Bureau circulates the SOC for feedback among key stakeholders, including the Mission, PPL, BRM, and others, as relevant. After receiving and incorporating feedback, the Regional Bureau sends the SOC to PPL, BRM, and the Mission for clearance. The Regional Bureau, in consultation with PPL, will determine if other Washington OUs need to clear based on the issues documented in the SOC. Other stakeholders will be info copied. The cleared Phase Three Summary of Conclusions represents Agency endorsement of the Mission's CDCS. An illustrative list of decisions that should be made during Phase Three, and documented in the SOC, is outlined below.

The Summary of Conclusions should be sent to the Mission no more than 15 business days following the DVC.

Final Draft of CDCS: The Mission considers issues identified in the Summary of Conclusions, if any, and makes necessary revisions to the draft CDCS, which it then submits to the Regional Bureau for approval.

Approval of CDCS: The Regional Bureau circulates the full CDCS to PPL and BRM for clearance. The Regional Bureau AA approves the full CDCS. The CDCS approval is documented in an approval memo signed by the AA and cleared by PPL and BRM, as well as any Pillar Bureaus which owned significant issues documented in the Phase Two SOC. PPL, BRM, and Pillar Bureau clearance must be provided within 10 business days. The approval memo also specifies the expiration date of the CDCS and the proposed timing of any expected check-ins with USAID/Washington during the implementation of the CDCS, including the mid-course stocktaking exercise.

Dissemination of CDCS: Within 60 days of CDCS approval, a public version is developed and posted on USAID.gov and the Development Experience Clearinghouse (DEC) by the Mission, in collaboration with the Regional Bureau and PPL. The approved internal and public versions of the CDCS are posted on ProgramNet and USAID Pages. The public version of the CDCS should remove budget tables and procurement-sensitive or politically sensitive information, as well as other information deemed sensitive.

Key Decisions in Phase Three:

- Have all significant issues raised during Phase Two of CDCS development been addressed?
- Are further refinements needed in the Mission's responses to USAID/Washington significant issues?

CDCS Mid-Course Stocktaking

The purpose of a CDCS Mid-Course Stocktaking is to better align the implementation of a Mission's program (including projects and activities) with the strategy, and to help ensure that contextual changes and lessons learned are better integrated throughout Program Cycle processes. The findings of a CDCS Mid-Course Stocktaking also allow Washington OUs to understand progress to date on CDCS implementation, as well as important changes in context. As relevant, a Mission should engage with key Washington stakeholders prior to the stocktaking regarding updated priorities.

While a Mission may define the focus of its Mid-Course Stocktaking exercise (potentially including CDCS review, stakeholder consultation, and identifying a way forward), the Mission should use these eight basic steps to shape and conduct the stocktaking exercise:

1. Clarify the Purposes/Questions.
2. Decide who should be involved, how, and when.
3. Develop a format.
4. Conduct the stocktaking.
5. Plan next steps.
6. Document and review outcomes.
7. Submit an information memo to the relevant Regional Bureau.
8. Determine follow-on actions.

While the submission of documentation to a Regional Bureau will most commonly be for informational purposes only, depending on the types of changes proposed (if any), the Information Memo may present an opportunity for follow-on discussions with key Washington stakeholders. If a Mission's Mid-Course Stocktaking results in changes to the CDCS, the Mission must follow the procedures in [ADS 201 on Amending and Updating CDCS Documents](#). Findings of a Mid-Course Stocktaking may also inform development of or updates to an ICS.

At a minimum, the memorandum submitted to Washington must contain:

- A brief assessment of results to date, and whether the Mission is achieving its expected progress.
- An update of the Mission's understanding of context and assumptions.
- A re-validation of the CDCS's Development Hypotheses and Results Framework.
- Information on any shifts in the Mission's budget.
- Any management issues associated with CDCS implementation.
- A plan for adapting strategy implementation going forward, including any existing or planned modifications to the Results Framework, areas for potential close-out, or new implementation opportunities.
- Significant new learning that should be shared within or beyond the Agency.

The Regional Bureau will distribute the memo to identified points of contact in other Washington OUs. All memos will be sent to PPL to become part of the Mission's CDCS file. This memo and any other results from the stocktaking effort should be consulted during a Mission's planning for its subsequent CDCS.

Issues Resolution

The CDCS development process is an opportunity for comparing priorities among Agency stakeholders and making difficult decisions. Regional Bureaus are responsible for engaging stakeholders to reach consensus on key decision points during the CDCS process. However, in the event a Regional Bureau and an issue owner cannot come to consensus on a particular significant issue within 10 business days following the DVC at any phase of CDCS development, the issue must be escalated to the relevant Bureau DAA to resolve as described below.

Mediated Discussion:

If, after 10 business days of negotiation post-DVC, consensus has not been reached on any significant issue, the issue owner's Assistant Administrator (AA) or designee contacts the relevant Regional Bureau AA and regional backstop in PPL/SPP to schedule a discussion. (PPL/SPP's regional backstop will convene necessary PPL speakers.) The meeting, mediated by PPL, takes place no more than five business days after the initial request for a mediated discussion. PPL may request position papers before the meeting.

Following the mediated discussion, resolution of the issue is documented in an Information Memorandum drafted by the PPL/SPP regional backstop within five business days. The Information Memorandum is cleared by both the issue owner's AA and the Regional Bureau AA, and becomes part of the Mission's CDCS file.

If resolution is not reached during the mediated discussion, the issue owner and Regional Bureau will draft a Split Memorandum, as outlined below.

Split Memorandum:

The issue owner and Regional Bureau each draft their part of a Split Memorandum within five business days of the mediated discussion. The relevant PPL/SPP regional backstop drafts an Annex to the Split Memorandum documenting the mediated discussion and recommending a resolution, and submits the full Memorandum to the Deputy Administrator for decision. The Deputy Administrator returns a decision to the issue owner, Regional Bureau, and PPL within seven business days. The Split Memorandum containing the Deputy Administrator's decision becomes part of the Mission's CDCS file.

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